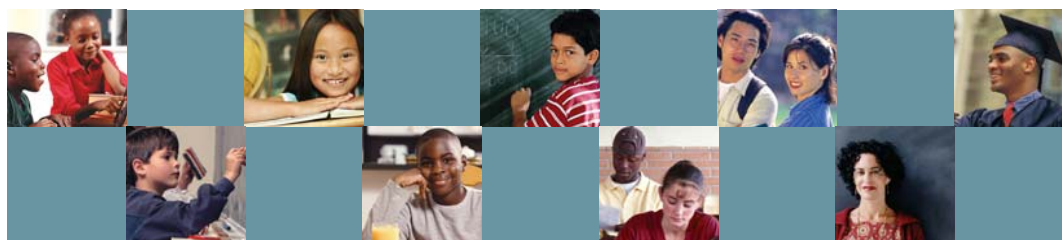


# the condition of education 2006



## INDICATOR 43

### International Comparisons of Expenditures for Education

The indicator and corresponding tables are taken directly from *The Condition of Education 2006*. Therefore, the page numbers may not be sequential.

Additional information about the survey data and supplementary notes can be found in the full report. For a copy of *The Condition of Education 2006*, visit the NCES website (<http://nces.ed.gov/pubsearch/pubsinfo.sap?pubid=2006071>) or contact ED PUBs at 1-877-4ED-PUBS.

**Suggested Citation:**

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# Finance

## International Comparisons of Expenditures for Education

*Wealthy countries generally spend more per student on education than countries with lower gross domestic product (GDP) per capita. They also generally tend to spend a larger proportion of their GDP per capita on education than less wealthy countries.*

Two measures used to compare countries' investment in education are expenditures per student (expressed in absolute terms) from both public and private sources and total expenditures as a percentage of gross domestic product (GDP). The latter measure allows a comparison of countries' expenditures relative to their ability to finance education.

In 2002, expenditures per student for the United States were \$8,556 at the combined elementary and secondary level, which was higher than the average of \$6,134 for the member countries of the Organization for Economic Cooperation and Development (OECD) reporting data (see supplemental table 43-1). At the postsecondary level, the U.S. expenditures per student were \$20,545, higher than the OECD average of \$10,641. Expenditures per student varied widely across the OECD countries, ranging from \$1,587 (Mexico) to \$12,361 (Luxembourg) at the combined elementary and secondary level and from \$4,731 (Greece) to \$23,714 (Switzerland) at the postsecondary level.

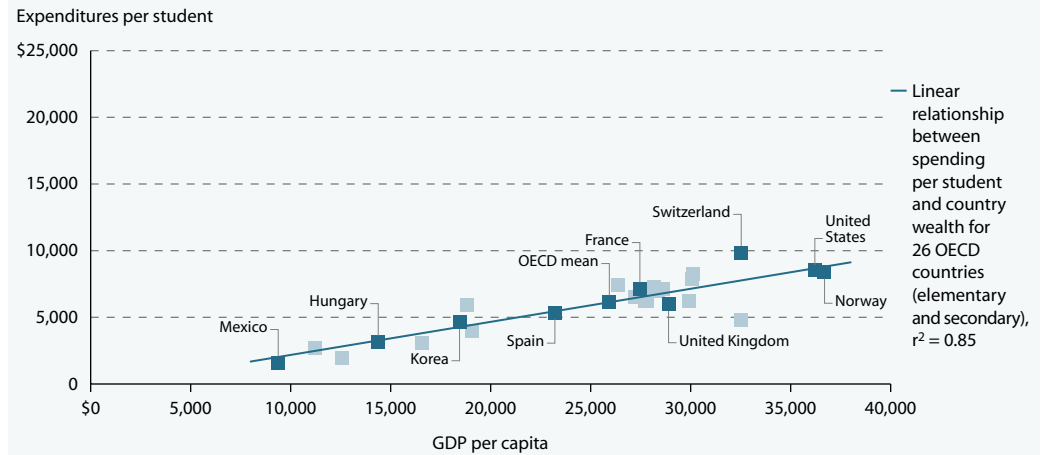
A country's wealth (defined as GDP per capita) was positively associated with expenditures per student on education at the elementary/secondary and postsecondary levels. For example, a \$10,000 change in GDP per capita resulted in a 40 percent increase in the aver-

age expenditure per student at the elementary and secondary level and a 45 percent increase in the average expenditure per student at the postsecondary level.

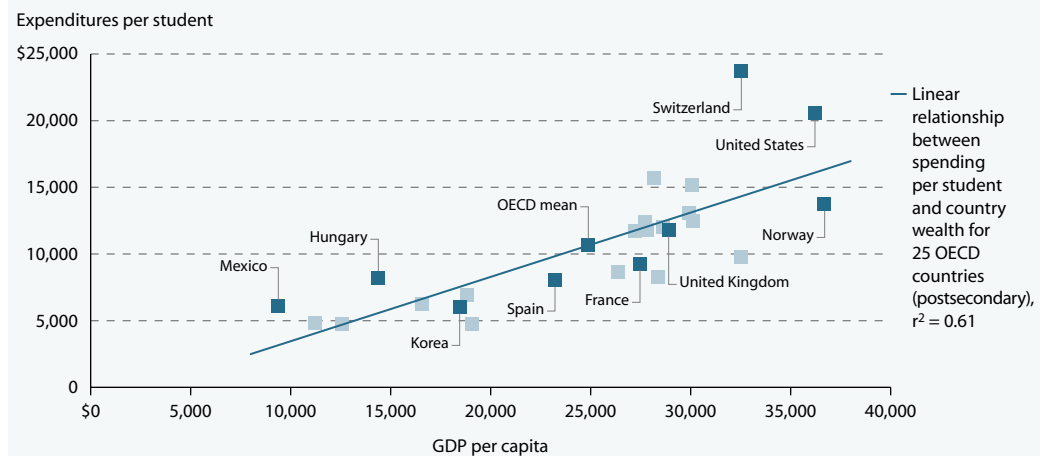
A country's wealth was also positively associated with the proportion of total GDP devoted to total education expenditures.<sup>1</sup> For example, a \$10,000 change in GDP per capita resulted in one-half of a percentage point increase in the average proportion of total GDP devoted to total education expenditures.

In 2002, the United States spent the highest percentage of its GDP on total education expenditures (6.7 percent) among the OECD countries reporting data. Looking at education expenditures by level, the United States spent 4.1 percent of its GDP on elementary and secondary education, higher than the average of 3.8 percent for all OECD countries reporting data. Compared with the United States, 10 countries spent a higher percentage of their GDP on elementary and secondary education, led by Iceland at 5.5 percent. At the postsecondary level, 2.6 percent of the GDP of the United States was spent on education expenditures, higher than the average of 1.4 percent for all OECD countries reporting data. The United States spent a greater percentage of its GDP on postsecondary education than did all other OECD countries reporting data.

### EXPENDITURES FOR EDUCATION: Annual expenditures per student in relation to GDP per capita for elementary and secondary education in selected OECD countries: 2002



### EXPENDITURES FOR EDUCATION: Annual expenditures per student in relation to GDP per capita for postsecondary education in selected OECD countries: 2002

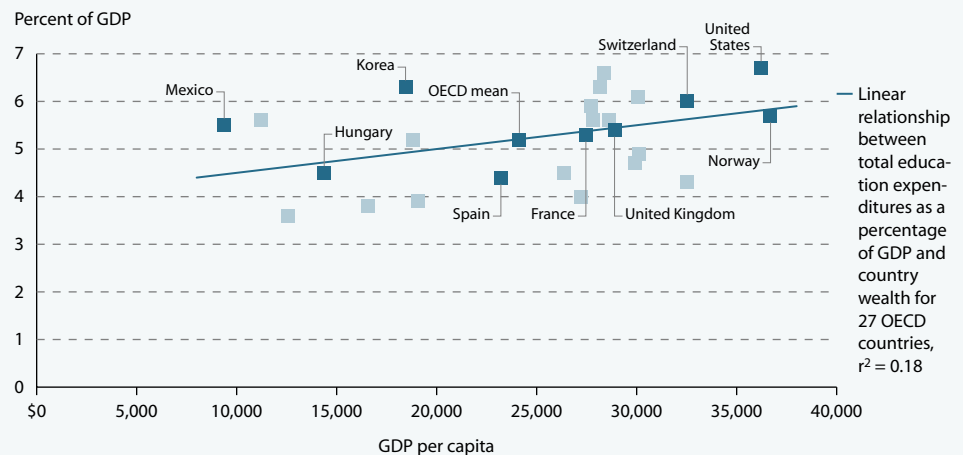


<sup>1</sup> Total education expenditures include expenditures at the elementary/secondary, postsecondary, and postsecondary nontertiary levels.

NOTE: Per student expenditures are based on public and private full-time-equivalent (FTE) enrollment figures and on current expenditures and capital outlays from both public and private sources where data are available. Purchasing Power Parity (PPP) indices are used to convert other currencies to U.S. dollars (i.e., absolute terms). Within-country consumer price indices are used to adjust the PPP indices to account for inflation because the fiscal year has a different starting date in different countries. Canada, Germany, Luxembourg, New Zealand, and Turkey are not included due to missing data on expenditures per student. The OECD average for GDP per capita for each figure is based on the number of countries with data available (26 for first figure; 25 for second figure; 27 for third figure).

SOURCE: Organization for Economic Cooperation and Development (OECD), Center for Educational Research and Innovation. (2005). *Education at a Glance: OECD Indicators, 2005*, tables B1.1, B2.1c, and X2.1. Data from OECD Education Database, previously unpublished tabulation (August 2005).

### EXPENDITURES FOR EDUCATION: Annual total education expenditures as a percentage of GDP, by GDP per capita in selected OECD countries: 2002



FOR MORE INFORMATION:  
Supplemental Note 6  
Supplemental Table 43-1

## International Comparisons of Expenditures for Education

**Table 43-1. Annual expenditures on public and private institutions per student and as a percentage of gross domestic product (GDP) in OECD countries, by level of education: 2002**

Country	Expenditures on public and private institutions per student <sup>1</sup>		Expenditures on public and private institutions as a percentage of GDP			GDP per capita (in equivalent U.S. dollars converted using PPPs) <sup>5</sup>
	Elementary and secondary <sup>2</sup>	Post-secondary <sup>3</sup>	Elementary and secondary <sup>2</sup>	Post-secondary <sup>3</sup>	Total <sup>4</sup>	
<b>OECD mean</b>	<b>\$6,134</b>	<b>\$10,641</b>	<b>3.8</b>	<b>1.4</b>	<b>5.2</b>	<b>\$25,315</b>
Australia	6,192	12,416	4.1	1.6	5.9	27,713
Austria <sup>6</sup>	8,230	12,448	3.8	1.1	4.9	30,100
Belgium	7,150	12,019	4.3	1.4	5.6	28,630
Canada	—	—	—	—	—	29,590
Czech Republic	3,050	6,236	2.9	0.9	3.8	16,585
Denmark	7,875	15,183	4.2	1.9	6.1	30,042
Finland	6,230	11,768	3.9	1.8	5.6	27,807
France	7,108	9,276	4.2	1.1	5.3	27,467
Germany	—	—	—	—	—	26,654
Greece	3,938	4,731	2.6	1.2	3.9	19,067
Hungary	3,128	8,205	3.1	1.2	4.5	14,365
Iceland	6,972	8,251	5.5	1.1	6.6	28,368
Ireland	4,827	9,809	2.9	1.3	4.3	32,535
Italy	7,441	8,636	3.5	0.9	4.5	26,347
Japan	6,561	11,716	3.0	1.1	4.0	27,207
Korea	4,645	6,047	4.1	2.2	6.3	18,443
Luxembourg	12,361	—	—	—	—	52,153
Mexico	1,587	6,074	4.1	1.4	5.5	9,370
Netherlands	6,212	13,101	3.4	1.3	4.7	29,939
New Zealand	—	—	4.6	1.5	6.3	22,287
Norway <sup>6</sup>	8,412	13,739	4.3	1.5	5.7	36,682
Poland	2,670	4,834	4.0	1.5	5.6	11,194
Portugal <sup>6</sup>	5,888	6,960	4.2	1.0	5.2	18,819
Slovak Republic	1,980	4,756	2.8	0.9	3.6	12,576
Spain	5,362	8,020	3.2	1.2	4.4	23,196
Sweden	7,277	15,715	4.6	1.8	6.3	28,152
Switzerland	9,823	23,714	4.5	1.4	6.0	32,532
Turkey	—	—	2.6	1.2	3.8	6,516
United Kingdom	5,996	11,822	4.3	1.1	5.4	28,906
United States	8,556	20,545	4.1	2.6	6.7	36,202

— Not available.

<sup>1</sup> Per student expenditures are based on public and private full-time-equivalent (FTE) enrollment figures for the 2001–02 school year and on current expenditures and capital outlays from both public and private sources where data are available.

<sup>2</sup> Includes postsecondary nontertiary data (International Standard Classification of Education [ISCED] level 4) for Belgium, Denmark, Finland, Iceland, Japan, Luxembourg, Norway, Slovak Republic, Spain, and the United Kingdom. Also includes preprimary data (ISCED level 0) for Greece and Luxembourg.

<sup>3</sup> Includes all tertiary-level data (ISCED levels 5A, 5B, and 6). Also, includes postsecondary nontertiary data for Denmark, Iceland, Japan, and the United States.

<sup>4</sup> Total includes elementary/secondary, postsecondary, and postsecondary nontertiary expenditures with the exception of Korea, Mexico, and Turkey where postsecondary nontertiary is not an applicable educational category.

<sup>5</sup> GDP adjusted to national financial year.

<sup>6</sup> Instead of FTE, enrollment data are for full- and part-time students.

NOTE: Educational expenditures are from public and private revenue sources. Purchasing Power Parity (PPP) indices are used to convert other currencies to U.S. dollars. Within-country consumer price indices are used to adjust the PPP indices to account for inflation because the fiscal year has a different starting date in different countries. Includes all institutions, public and private, with the exception of Hungary, Italy, Portugal, Switzerland, and Turkey, which include public institutions only. See *supplemental note 6* for more information on ISCED levels.

SOURCE: Organization for Economic Cooperation and Development (OECD), Center for Educational Research and Innovation. (2005). *Education at a Glance: OECD Indicators, 2005*, tables B1.1, B2.1c, and X2.1. Data from OECD Education Database, previously unpublished tabulation (August 2005).